

Approved \_\_\_\_\_

3/20/87  
Date

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS

The meeting was called to order by Senator Edward F. Reilly, Jr. at  
Chairperson

11:00 a.m. ~~on~~ March 18, 1987 in room 254-E of the Capitol.

All members were present. ~~except~~

Committee staff present:

Mary Galligan, Legislative Research  
Emalene Correll, Legislative Research  
Mary Torrence, Assistant Revisor of Statutes  
June Windscheffel, Secretary to the Committee

Conferees appearing before the committee:

Mr. Gene Yockers, Kansas Real Estate Commission  
Senator Audrey Langworthy  
Mr. C. Edward Peterson, K. C. Consensus  
Mr. Steve Byers, K. C. Consensus  
Karen McClain, Kansas Association of Realtors

Senator Vidricksen moved to introduce a Committee bill concerning state employee awards programs. It was seconded by Senator Daniels. The motion carried.

SB 331, concerning the Missouri and Kansas metropolitan culture and recreation district compact, was the next matter. Senator Audrey Langworthy gave a preface of the bill and introduced the next conferee, Mr. C. Edward Peterson. A copy of his statement is attached. (Attachment #1)

Mr. Steve Byers, also of the K. C. Consensus, assisted in answering questions from the Committee.

The Chairman thanked the conferees for appearing.

The Subcommittee Report of SB 283, concerning real estate brokers' and salespersons' licenses, was before the Committee. (Attachment #2) Senator Arasmith gave the Report. The Committee was composed of Senator Arasmith, Chairman; Senator Bond and Senator Martin. Senator Bond passed out an amendment for the Committee which had been prepared by the Real Estate Commission. Senator Bond moved the amendment be part of the Subcommittee Report. Seconded by Senator Martin.

Karen McCain, of the Kansas Association of Realtors, asked if she might speak. She said the Association was in support of the bill in its original form, and have questions on the amendments. She asked that certain discipline matters be put in writing. Mr. Yockers, of the Real Estate Commission, said they had given much consideration to the matter, that the violations are extremely varied.

Senator Bond withdrew his motion for the amendment, as did the second, Senator Martin. Senator Bond moved that they draft the Committee Report with the conceptual language that provides for fine up to \$500 and that those funds would be limited to the state general fund. Staff will draft it. Seconded by Senator Martin. The motion carried.

Senator Arasmith moved the adoption of the Committee Report. Seconded by Senator Strick. The motion carried and the Report was adopted.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS,  
room 254-E, Statehouse, at 11:00 a.m./~~pm~~ on March 18, 1987

Senator Morris moved that SB 283 be reported favorably as amended. Seconded by Senator Daniels. The motion carried.

The Senator called the Committee's attention to two handouts before Committee. One from Mahin Etzenhouser. (Attachment #3) The other was a request to President Robert Talkington requesting an interim study regarding liquor taxes and the allocation of revenue. (Attachment #4)

Senator Bond reported that the Subcommittee on SB 307, concerning the open meetings law, had had several meetings. Staff is drafting the Report, and as soon as it is ready the Committee will submit its report.

The Chairman stated that he would like to report the members of various subcommittees which he had named. Concerning HB 2044, concerning parimutuel, the subcommittee on Live Lures and Drugs would be: Senator Vidricksen, Chairman; and Senator Ehrlich and Senator Strick. The subcommittee on Taxes, Not-for-Profit, and Ownership, would consist of Senator Morris, Chairman; Senator Reilly, and Senator Anderson. HB 2062, concerning death penalty for 1st degree murder, has a subcommittee consisting of Senator Morris, Chairman; Senator Arasmith, and Senator Martin. The Subcommittee on SB 307, open meetings, consists of Senator Bond, Chairman; Senator Hoferer and Senator Martin.

Senator Strick said that Director John Lamb had brought some information to him concerning false identification. The Senator will have this information drawn up as a bill for the Committee to consider. Director Lamb had acted at Senator's Strick request.

Senator Reilly discussed the matter of the liquor by the drink legislation. The Committee agreed that it would like to have a liquor by the drink bill ready to go in the Senate. Senator Martin moved that a new bill be introduced. The motion was seconded by Senator Strick. The motion carried.

The meeting was adjourned.

3/18/87  
Attachment #1

COMMENTS ON SENATE BILL 331  
by  
C. Edward Peterson  
on behalf of  
Kansas City Concensus

March 18, 1987

I am appearing in support of Senate Bill #331 on behalf of the Kansas City Concensus Group. In these remarks I hope to provide a brief background to the origin of Senate Bill 331, an explanation of why this bill is important, and a brief overview of how the legislation will operate, if enacted.

First, I would like to explain Kansas City Concensus to those of you who are not yet familiar with this group. Kansas City Concensus is a nonprofit organization which consists of over 600 members. Kansas City Concensus has two paid staff persons; the organization is funded entirely by contributions of members and corporate sponsors. The purpose of the Kansas City Concensus Group is to bring together diverse groups in the community who are engaged in various aspects of problems common to the metropolitan area. Kansas City Concensus has initiated six task forces to address specific issues, one of which is the question of maintaining and expanding the cultural, recreational and arts activities in the metropolitan area.

The task force dealing with this issue began meeting in 1985 and produced its report in November of 1985. The importance of Senate Bill 331, which you now have before you, was very apparent from the results of the Kansas City Concensus task force study concerning the status of these activities.

Attachment #1  
FSA 3/18

The task force studied 89 of the Kansas City area's major cultural, recreational and arts attractions and discovered that these attractions comprise a substantial part of the local economy. It is estimated that these 89 attractions enjoy an annual attendance of approximately 2.9 million persons, of which 1.3 million, or approximately 44%, come from outside the Kansas City metropolitan area. It is estimated that the visitors from outside the area generate approximately \$75 million in annual revenues to the Kansas City area, including hotel, restaurant and retail purchases.

Furthermore, the 89 entities studied by the Consensus task force employ 1,112 persons with an annual payroll of approximately \$7.5 million.

It should be noted that the task force did not include for-profit activities such as the Kansas City Royals and Chiefs. However, attendance at the attractions which were included in the KC Consensus task force study is approximately equal to the annual combined attendance of the Royals and Chiefs.

Despite the obvious importance of cultural and recreational activities to the local economy, there is no metropolitan-wide approach to protecting and fostering the development of cultural and recreational attractions. Instead, the metropolitan area has experienced a patchwork of development with each entity left largely to itself to carve out its own niche and funding. A few entities have survived, but most have struggled. As the Kansas City Consensus task force discovered,

the metropolitan area lags far behind other similarly situated metropolitan communities.

The most recent Rand-McNally report comparing cities on 10 variables rank the Kansas City area as 99th in recreational opportunities and as 51st in arts and cultural opportunities. The Johnson County and Kansas City, Kansas, area ranked 287th in recreational opportunities and 215th in arts and cultural opportunities. To place this rating in perspective, Kansas City can be compared with St. Louis and Denver. St. Louis ranked 19th in cultural opportunities and 78th in recreational activities, while Denver ranked 25th in arts and cultural activities and 69th in recreational activities.

It appears from the financial condition of most recreational, cultural and arts entities that Kansas City will fall further behind other metropolitan areas during the next few years. The 89 entities studied by Kansas City Consensus revealed 1985 current operating costs in the aggregate of \$13 million. These groups projected a need for an additional \$4 million operating expenses by 1990, an increase of approximately 30%. More significantly, these groups anticipate substantial capital needs. During the Kansas City Consensus study, the 89 entities predicted the need for an additional \$82.7 million in capital expenditures. As large as this figure may sound, it is already outdated. Entities in Johnson and Wyandotte counties who anticipate capital expenditures include the following:

the Leavenworth museum, \$1.3 million; the Ag Hall of Fame, \$3 million; the Old Mission in Shawnee Mission, \$20,000; the Old Shawnee Town, \$250,000; and the Overland Park civic band, \$15,000.

The task force recognized that the most pressing needs of arts, cultural and recreational organizations are of a financial nature. The task force met for several months during the summer and fall of 1986 and drafted the proposal which is now before you in the form of Senate Bill 331.

Senate Bill 331 proposes a metropolitan-wide funding district that would encompass five or possibly more counties straddling the Kansas and Missouri state line. The five principal counties would include Jackson, Clay and Platte counties in Missouri, and Johnson and Wyandotte counties in Kansas. Senate Bill 331 does provide that any county adjacent to these counties could join, conceivably Douglas and Leavenworth counties on the Kansas side could benefit from participation.

If the legislatures in both Kansas and Missouri pass the legislation, each county would then be required to decide whether to place the question of participating to a vote of the people in the county. Senate Bill 331 authorizes the County Commission to make this decision on its own initiative or by petition from the voters. Once the matter is submitted to the voters, a majority vote is required before the county is deemed a participant in the district.

The district would be governed by an appointed Commission.

The Commission will consist of one representative from each county that elects to participate, one representative from each city with a population greater than 80,000 which is located in a participating county, and one representative from each state which has a county participating. Each representative shall be appointed by the highest elected official of the respective governing bodies. For example, if all five principal counties elect to participate, the Commission would be composed of 11 members: one member from each of the five counties; one representative of the cities of Kansas City, Missouri, Kansas City, Kansas, Overland Park, Kansas, and Independence, Missouri; and one representative from each state.

Decisions by the Commission require a majority vote of the Commission and a majority of the representatives from each state. Thus each state in essence has veto power to assure an equitable distribution of proceeds between the states.

Senate Bill 331 proposes a one-quarter cent sales tax to be implemented in each county which elects to participate. The task force considered many options for funding the Commission, and only the sales tax lends itself to an equitable means of collection and distribution.

Once the Commission commences operation, it is provided the following essential powers:

- 1) To acquire, construct and operate facilities, provided that guidelines for equitable allocation of facilities are required;
- 2) To levy and receive 1/4 cent sales tax;

- 3) To loan and borrow funds and to issue bonds;
- 4) To create endowments and issue grants.

Senate Bill 331 is lengthy and it addresses a variety of concerns for which there are many viewpoints in the Kansas City area. The funding district offers an opportunity to place the entire metropolitan area on an equal footing with other similar urban areas with respect to cultural, recreational and arts attractions.




3/18/87  
Attachment #2

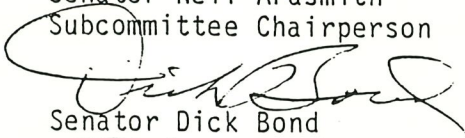
March 10, 1987


REPORT OF SUBCOMMITTEE ON SENATE BILL NO. 283

The Subcommittee met on March 10, 1987, and makes the following recommendations:

1. That the amendment that appears on lines 56 and 57, which would require persons who assist an auctioneer at a real estate auction be licensed brokers, not be made, i.e., strike the new language added on lines 56 and 57.
2. That everything following the word "of" on line 192 and all of lines 192 through line 204 be stricken and the language appearing on the attached balloon be inserted in the place of the stricken language.
3. That the bill be passed following the adoption of the amendments proposed by the Subcommittee.

  
Senator Neil Arasmith  
Subcommittee Chairperson

  
Senator Dick Bond

  
Senator Phil Martin

subc.283/EC/bd

Attachment #2  
FSA 3/18/87

0157 committed a violation of this act or rules and regulations adopted  
0158 hereunder;

0159 (2) the licensee has entered a plea of guilty or *nolo conten-*  
0160 *dere* to, or has been convicted of: (A) Forgery, embezzlement,  
0161 obtaining money under false pretenses, larceny, extortion, con-  
0162 spiracy to defraud or any other similar offense; (B) a crime  
0163 involving moral turpitude; or (C) any felony charge; or

0164 (3) the licensee has been finally adjudicated and found to be  
0165 guilty of refusing to show, sell or lease any real estate to a  
0166 qualified purchaser or lessee because of such purchaser's or  
0167 lessee's race, color, religion, national origin, sex or ethnic group.

0168 (b) If a broker or salesperson has been declared incompetent  
0169 by a court of competent jurisdiction, the commission shall sus-  
0170 pend the broker's or salesperson's license for the period of  
0171 disability.

0172 (c) No complaint alleging violation of this act or rules and  
0173 regulations adopted hereunder shall be commenced more than:

0174 (1) One year after the occurrence complained of ~~or~~; or *one year*  
0175 *after the conclusion of litigation involving the occurrence com-*  
0176 *plained of, whichever is later*; or (2) if the charge involves fraud,  
0177 misrepresentation or a false promise, more than two years after  
0178 the date of its discovery by the aggrieved party. In no case shall a  
0179 complaint be commenced more than five years from the date of  
0180 the occurrence which is the subject of the complaint.

0181 (d) *Except as provided in subsection (f)*, all administrative  
0182 proceedings pursuant to this section shall be conducted in ac-  
0183 cordance with the Kansas administrative procedure act.

0184 (e) Notwithstanding any provision of this act to the contrary,  
0185 the commission may use emergency adjudicative proceedings, as  
0186 provided by K.S.A. ~~4985~~ 1986 Supp. 77-536 and amendments  
0187 thereto, to summarily suspend the license of any licensee if the  
0188 commission has reasonable cause to believe that the licensee's  
0189 trust account is in unsound condition or that the licensee is  
0190 misappropriating funds belonging to other persons.

0191 (f) *If a licensee has entered a plea of guilty or nolo conten-*  
0192 *dere to, or has been convicted of* ~~(1) Forgery, embezzlement,~~  
0193 ~~obtaining money under false pretenses, larceny, extortion, con-~~

0194 ~~piracy to defraud or any other similar offense; (2) a crime~~  
 0195 ~~involving moral turpitude; or (3) any felony charge, the com-~~  
 0196 ~~mission may review the findings of the court and determine (A)~~  
 0197 ~~to conduct an administrative proceeding in accordance with the~~  
 0198 ~~Kansas administrative procedure act or (B) to issue an order of~~  
 0199 ~~revocation, suspension or restriction, to be effective when ren-~~  
 0200 ~~dered. If an order of revocation, suspension or restriction is~~  
 0201 ~~rendered without an administrative proceeding having been~~  
 0202 ~~conducted in accordance with the Kansas administrative pro-~~  
 0203 ~~cedure act, the order may be appealed in accordance with the~~  
 0204 ~~act for judicial review and civil enforcement of agency actions.~~

0205 (g) When the real estate license of an individual is revoked  
 0206 and that individual's name is included in the trade or business  
 0207 name of a real estate brokerage business, the commission may  
 0208 deny continued use of the trade or business name if, in the  
 0209 opinion of the commission, it would be confusing or misleading  
 0210 to the public.

0211 If the revocation of the individual's license is appealed to  
 0212 district court and a stay of the commission's order is granted by  
 0213 the court, the commission may not deny continued use of the  
 0214 trade or business name until such time as the district court  
 0215 upholds the order of the commission.

0216 Sec. 4. K.S.A. 1986 Supp. 58-3063 is hereby amended to read  
 0217 as follows: 58-3063. (a) The commission shall adopt rules and  
 0218 regulations fixing the amounts of the fees provided for by this  
 0219 act, subject to the following:

0220 (1) For any examination required for licensure, a fee in an  
 0221 amount equal to the actual cost of the examination and the  
 0222 administration thereof.

0223 (2) For submission of an application for an original sales-  
 0224 person's or broker's license, an amount not exceeding \$15.

0225 (3) For an original salesperson's license, a fee based on an  
 0226 annual amount not exceeding \$30.

0227 ~~(3)(4)~~ For an original broker's or associate broker's license, a  
 0228 fee based on an annual amount not exceeding \$50.

0229 ~~(4)(5)~~ For renewal of a salesperson's license, a fee based on  
 0230 an annual amount not exceeding \$30.

, any felony charge, the commission may use emergency adjudicative proceedings, as provided by K.S.A. 1986 Supp. 77-536 and amendments thereto to suspend, revoke or restrict the licensee's license -

Capital Journal  
Sat Feb. 28

He asked commissioners Friday to consider the request and the fact that the Guard provides nearly

Guard is requ... \$74,000 from the city of To, Shawnee County and has suggested that the two governments split the amount.

### School of Future closes; 'severe' cuts blamed

The School of the Future, 4640 West Drive, closed its doors Friday. Careen Dale, president of the school, said the closing was necessitated by "severe" funding cuts by the Kansas Department of Social and Rehabilitation Services and the inability to generate adequate additional funding.

since October 1979. It has served almost 200 children and their parents who were referred to the school by SRS because of child abuse, neglect or a stressful home situation.

Both children and parents attended sessions and worked together under the care of the school's directors.

The school has been in existence

### Weather office schedules tornado drill

A statewide tornado drill will be held Wednesday, March 11, as part of Severe Weather Awareness Week, through 13.

will be rescheduled for the next clear day, she said.

Also during the week the National Weather Service office will conduct pre-storm spotter training sponsored by the Washburn University Extension Department. The drill will be held in two sessions on March 10 and 11.

which would be more deterrent to crime  
Education or capital punishment.

Can we afford capital punishment if we close  
down schools which prevents raising a new  
generation of criminals?

Mahir Steinhilber

STATE OF KANSAS

3/18/87  
Attachment #4

EDWARD F. REILLY, JR.  
SENATOR, THIRD DISTRICT  
LEAVENWORTH AND JEFFERSON COUNTIES  
430 DELAWARE  
LEAVENWORTH, KANSAS 66048-2733  
913/682 1236



COMMITTEE ASSIGNMENTS  
CHAIRMAN FEDERAL AND STATE AFFAIRS  
AND INSURANCE SUBCOMMITTEE  
VICE CHAIRMAN ELECTIONS  
MEMBER CONFIRMATIONS  
FINANCIAL INSTITUTIONS AND  
INSURANCE  
PUBLIC HEALTH AND WELFARE

TOPEKA

SENATE CHAMBER

March 7, 1987

The Honorable Robert Talkington  
Chairman  
Legislative Coordinating Council  
Statehouse  
Topeka, Kansas

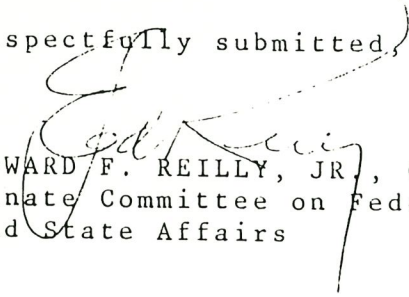
Dear Mr. President:

The Senate Committee on Federal and State Affairs respectfully requests that a 1987 interim committee be assigned to study the issue of liquor taxes and the allocation of revenue derived from those taxes.

In particular, the Committee is interested in the proposals for replacing the existing ten percent drink tax and the eight percent enforcement tax with increased gallonage taxes. This issue was raised during the Committee's discussion of liquor matters this session, but with all the other changes of the state's liquor laws to consider, the Committee did not have sufficient time to devote to this relatively complex issue.

We appreciate your consideration of this request. If you have any questions, please feel free to call.

Respectfully submitted,

  
EDWARD F. REILLY, JR., Chairman  
Senate Committee on Federal  
and State Affairs

Attachment #4  
FSA 3/18/87